

Pipeline and Hazardous Materials Safety Administration

NOTICE OF PROBABLE VIOLATION and PROPOSED CIVIL PENALTY

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

June 6, 2007

Mr. David Jones Vice President Eastern Operations Tennessee Gas Pipeline Company 2 Brentwood Commons, Suite 190 Brentwood, TN 37027

CPF 2-2007-1011

Dear Mr. Jones:

On September 5-22, 2006, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA) pursuant to Chapter 601 of 49 United States Code inspected your pipeline facilities in Mississippi and Alabama and reviewed operations and maintenance records at your offices in Columbus, MS and Heidelberg, MS.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

- 1. §192.467 External corrosion control: Electrical isolation.
- (c) Except for unprotected copper inserted in a ferrous pipe, each pipeline must be electrically isolated from metallic casings that are a part of the underground system.

However, if isolation is not achieved because it is impractical, other measures must be taken to minimize corrosion of the pipeline inside the casing.

In the Heidelberg Operating Area there is a shorted casing on the 500-1 Pipeline in Valve Section 534, MP 9.340 at Hwy 49. An interoffice memorandum dated 7/15/91 indicates that an unsuccessful attempt was made to clear this short in 1974. No attempts have been made to clear the shorted casing since 1974 and no measures have been taken to minimize corrosion of the pipeline inside the casing.

- 2. [§192.605 Procedural manual for operations, maintenance, and emergencies.
 (b) Maintenance and normal operations. The manual required by paragraph (a) of this section must include procedures for the following, if applicable, to provide safety during maintenance and operations.
- (3) Making construction records, maps, and operating history available to appropriate operating personnel.

During the records review at the Columbus, MS office, the PHMSA inspector was given a schematic drawing of the Columbus Operating Area. The drawing was determined to be out of date when the PHMSA inspector could not locate some meter stations on the drawing. The operations personnel were not aware the drawing was out of date until it was brought to their attention by the PHMSA inspector. The operations personnel were able to download the current drawing off the company mapping database. The current drawing was dated 8/27/2003, the drawing first provided to the PHMSA Inspector was dated 2/15/2000. It is critical that operations personnel have up to date pipeline drawings available to them at all times.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violations persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty as follows:

| Item Number | <u>PENALTY</u> |
|-------------|----------------|
| 1 | \$ 50,000 |

Warning Items

With respect to item 2 we have reviewed the circumstances and supporting documents involved in this case and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to promptly correct this item. Be advised that failure to do so may result in Tennessee Gas Pipeline Company being subject to additional enforcement action.

Response to this Notice

Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Compliance Proceedings. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to CPF 2-2007-1011 and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Linda Daugherty

Director, Southern Region

Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Compliance Proceedings